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MULTIFIELD INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 898)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2023

	Notes	2023 HK\$'000	2022 HK\$'000
REVENUE	3	283,671	273,713
Cost of sales		<u>(48,214)</u>	<u>(42,916)</u>
Gross profit		235,457	230,797
Other income and gains	3	33,639	21,727
Foreign exchange differences, net		1,452	(48,834)
Fair value changes on financial assets at fair value through profit or loss, net		43,031	(55,525)
Fair value changes on investment properties, net		141,400	391,636
Operating and administrative expenses		(42,576)	(38,300)
Finance costs	5	(79,983)	(37,350)
Share of loss of associates	6	(217)	(5)
PROFIT BEFORE TAX	4	332,203	464,146
Income tax expense	7	(83,296)	(92,885)
PROFIT FOR THE YEAR		<u>248,907</u>	<u>371,261</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		179,229	264,120
Non-controlling interests		69,678	107,141
		<u>248,907</u>	<u>371,261</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	9	<u>HK21.44 cents</u>	<u>HK31.59 cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
PROFIT FOR THE YEAR	248,907	371,261
OTHER COMPREHENSIVE EXPENSE		
<i>Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>(5,901)</u>	<u>(488,313)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	<u>243,006</u>	<u>(117,052)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR ATTRIBUTABLE TO:		
Owners of the Company	167,761	(114,069)
Non-controlling interests	<u>75,245</u>	<u>(2,983)</u>
	<u>243,006</u>	<u>(117,052)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		253,825	256,201
Investment properties		11,141,489	11,022,134
Right-of-use assets		331	340
Club debenture		330	330
Interest in associates	<i>6</i>	51	57
Total non-current assets		11,396,026	11,279,062
CURRENT ASSETS			
Properties held for sale		281,851	281,851
Trade receivables	<i>10</i>	3,537	9,915
Prepayments, deposits and other receivables		241,635	238,495
Financial assets at fair value through profit or loss		821,422	762,074
Amounts due from associates		11,794	–
Cash and cash equivalents		452,539	571,242
Total current assets		1,812,778	1,863,577
CURRENT LIABILITIES			
Trade payables	<i>11</i>	1,751	1,410
Other payables and accruals		238,345	244,033
Interest-bearing bank borrowings		877,449	1,498,600
Tax payable		57,461	60,056
Total current liabilities		1,175,006	1,804,099
NET CURRENT ASSETS		637,772	59,478
TOTAL ASSETS LESS CURRENT LIABILITIES		12,033,798	11,338,540

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	660,000	–
Amount due to a director	50,177	266,580
Deferred tax liabilities	1,420,001	1,375,963
	<hr/>	<hr/>
Total non-current liabilities	2,130,178	1,642,543
	<hr/>	<hr/>
Net assets	9,903,620	9,695,997
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	41,804	41,804
Reserves	8,016,431	7,882,112
	<hr/>	<hr/>
	8,058,235	7,923,916
Non-controlling interests	1,845,385	1,772,081
	<hr/>	<hr/>
Total equity	9,903,620	9,695,997
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NOTES TO FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investments which have been measured at fair value.

These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of Multifield International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2023. A subsidiary is an entity directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income (“**OCI**”) are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in OCI is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	<i>Insurance Contracts</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two model Rules</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>

Change in accounting policy on offsetting arrangement in long service payment scheme in HKSAR

In June 2022, the HKSAR Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which will be effective from 1 May 2025 (the “**Transition Date**”). Under the Amendment Ordinance, any accrued benefits attributable to the employer's mandatory contributions under mandatory provident fund scheme (“**MPF Benefits**”) of an entity would no longer be eligible to offset against its obligations on long service payment (“**LSP**”) for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 January 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the “**Practical Expedient**”) to account for the offsettable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” (the “**Guidance**”) which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a “simple type of contributory plans” to which the Practical Expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the Practical Expedient and reattribute the deemed employee contributions on a straightline basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). The cumulative effect of recognising these adjustments as of 31 December 2022 or for the year ended was not material and hence no adjustment was made to the beginning accumulated losses, or another component of equity.

Except for disclosed above, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective, in these consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback²</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)²</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants²</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements²</i>
Amendments to HKAS 21	<i>Lack of Exchangeability³</i>

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2024

³ Effective for annual periods beginning on or after 1 January 2025

The directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into three (2022: three) reportable operating segments as follows:

- (a) the property investment segment mainly comprises rental income from investment properties;
- (b) the provision of serviced apartment and property management services segment; and
- (c) the trading and investments segment includes the trading of securities and investment income from securities investment and investment holding.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that unallocated corporate expenses, interest income on bank deposits, fair value changes on investment properties, share of loss of associates, other gains and finance costs are excluded from such measurement.

Segment assets exclude other unallocated head office and corporate assets, and interest in associates.

Segment liabilities exclude interest-bearing bank borrowings, amount due to a director, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities are managed as these liabilities on a group basis.

There are no sales or other transactions between the operating segments during the year (2022: Nil).

Years ended 31 December 2023 and 2022

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Revenue from external customers	<u>202,192</u>	<u>201,945</u>	<u>34,500</u>	<u>36,682</u>	<u>46,979</u>	<u>35,086</u>	<u>283,671</u>	<u>273,713</u>
Segment results	<u>165,309</u>	<u>137,579</u>	<u>(1,724)</u>	<u>(629)</u>	<u>87,419</u>	<u>(24,005)</u>	<u>251,004</u>	<u>112,945</u>
<i>Reconciliation:</i>								
Unallocated corporate expenses							(13,640)	(24,807)
Interest income on bank deposits							16,820	9,203
Fair value changes on investment properties, net	141,400	391,636	-	-	-	-	141,400	391,636
Share of loss of associates							(217)	(5)
Other gains							16,819	12,524
Finance costs							(79,983)	(37,350)
Profit before tax							<u>332,203</u>	<u>464,146</u>
	Property investment		Provision of serviced apartment and property management services		Trading and investments		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	<u>12,049,021</u>	<u>12,041,951</u>	<u>33,279</u>	<u>30,947</u>	<u>906,689</u>	<u>762,939</u>	<u>12,988,989</u>	<u>12,835,837</u>
<i>Reconciliation:</i>								
Corporate and unallocated assets							219,815	306,802
Total assets							<u>13,208,804</u>	<u>13,142,639</u>
Segment liabilities	<u>179,988</u>	<u>186,359</u>	<u>22,821</u>	<u>19,842</u>	<u>1,620</u>	<u>1,063</u>	<u>204,429</u>	<u>207,264</u>
<i>Reconciliation:</i>								
Corporate and unallocated liabilities							3,100,755	3,239,378
Total liabilities							<u>3,305,184</u>	<u>3,446,642</u>

	Property investment		Provision of serviced apartment and property management services		Trading and investments		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment information:										
Depreciation and amortisation	2,889	2,915	11	15	-	-	4	5	2,904	2,935
Fair value changes on investment properties, net	141,400	391,636	-	-	-	-	-	-	141,400	391,636
Fair value changes on financial assets at fair value through profit or loss, net	-	-	-	-	(43,031)	55,525	-	-	(43,031)	55,525
Capital expenditure*	551	27	1,731	-	-	-	-	27	2,282	54

* Capital expenditure consists of additions to property, plant and equipment.

Geographical information

(a)	Hong Kong		Mainland China		Total	
	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	121,991	108,208	161,680	165,505	283,671	273,713

The revenue information above is based on the locations of the customers. No single external customer accounted for 10% or more of the total revenue for the years ended 31 December 2023 and 2022.

(b)	Hong Kong		Mainland China		Malaysia		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets	4,135,492	4,221,224	7,130,994	6,923,427	129,210	134,081	11,395,696	11,278,732

The non-current asset information above is based on the locations of assets and excludes club debenture.

3. REVENUE, OTHER INCOME AND GAINS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<i>Revenue from contracts with customers</i>		
Serviced apartment and property management services	<u>34,500</u>	<u>36,682</u>
<i>Revenue from other sources</i>		
Rental income from property letting under fixed lease payments	202,192	201,945
Dividend income from listed equity investments	46,824	35,086
Interest income from debt securities	<u>155</u>	<u>–</u>
	<u>249,171</u>	<u>237,031</u>
	<u><u>283,671</u></u>	<u><u>273,713</u></u>

Revenue from contracts with customers

(a) *Disaggregation of revenue information*

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
By source of revenue:		
<i>Revenue recognised overtime</i>		
Serviced apartment and property management services	<u>34,500</u>	<u>36,682</u>
By geographical locations:		
Hong Kong	1,196	1,077
Mainland China	<u>33,304</u>	<u>35,605</u>
	<u>34,500</u>	<u>36,682</u>

(b) *Performance obligations for contracts with customers*

Serviced apartment and property management services income is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Revenue is recognised for these serviced apartment and property management services based on monthly statement issued by the Group's management agent using output method.

Other income and gains

	2023 HK\$'000	2022 HK\$'000
Government grants and subsidies (<i>Note</i>)	8,271	6,786
Interest income on bank balances	16,820	9,203
Others	8,548	5,738
	<u>33,639</u>	<u>21,727</u>

Note:

During the year ended 31 December 2023, the Group has received subsidies in form of return of income tax and various taxes of approximately HK\$8,721,000 (2022: HK\$6,389,000) as an incentive for the investments in various cities in the PRC.

During the year ended 31 December 2022, the Group recognised government grants of approximately HK\$397,000 in respect of Covid-19-related subsidies, of which all relates to Employment Support Scheme provided by the Hong Kong government.

There are no unfulfilled conditions or contingencies relating to grants.

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2023 HK\$'000	2022 HK\$'000
Auditor's remuneration – audit services	780	856
Cost of services provided	48,214	42,916
Depreciation of property, plant and equipment	2,895	2,927
Depreciation of right-of-use assets	9	8
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	21,912	20,926
Foreign exchange differences, net	(1,452)	48,834
	<u>28,289</u>	<u>29,855</u>
Employee benefit expense (including directors' and chief executive's remuneration):		
Salaries, wages and benefits in kind	28,289	29,855
Pension scheme contributions (defined contribution scheme) (<i>Note (i)</i>)	4,206	740
	<u>32,495</u>	<u>30,595</u>

Note:

- (i) At 31 December 2023, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2022: Nil).

5. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on bank loans	<u>79,983</u>	<u>37,350</u>

6. INTEREST IN ASSOCIATES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Unlisted investment		
Cost of investment	278	62
Less: share of loss of associates	(222)	(5)
Exchange realignment	(5)	–
	<u>51</u>	<u>57</u>

Particulars of the Group's associates are as follows:

Name	Particulars of issued share capital	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group		Principal activities
			2023	2022	
			%	%	
Tapah Land Development Sdn. Bhd. (“Tapah Land”)	35,000 ordinary shares of RM1 each	Malaysia	35	35	Property development
THY Urban Developments Sdn. Bhd. (“THY Urban”)	127,500 ordinary shares of RM1 each	Malaysia	49	–	Property development

The Group's shareholdings in the associates' equity shares are indirectly held by the Company through a wholly-owned subsidiary.

The Group's associates are accounted for using the equity method in the consolidated financial statements.

The following table illustrates the summarised financial information of the Group's associates extracted from their financial statements:

Tapah Land

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current assets	13,645	13,526
Current liabilities	(13,500)	(13,363)
Net assets	145	163
Reconciliation to the Group's interest in the associate:		
Group's share of net assets of the associate	35%	35%
Carrying amount of the investment	51	57
Loss for the year	(6)	(8)
Total comprehensive expense for the year	(6)	(8)

THY Urban

	2023 <i>HK\$'000</i>
Current assets	11,792
Non-current assets	2,889
Current liabilities	(14,893)
Net liabilities	(212)
Reconciliation to the Group's interest in the associate:	
Group's share of net assets of the associate	49%
Carrying amount of the investment	-
Loss for the year	(211)
Total comprehensive expense for the year	(211)

7. INCOME TAX EXPENSE

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of assessable profits of qualifying group entities will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2022: 16.5%). Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the Enterprise Income Tax Law, the tax rate of the PRC subsidiaries is 25% for both years.

Pursuant to the relevant PRC tax laws and regulations, a non-resident enterprise is generally subject to a 10% Enterprise Income Tax on PRC-sourced income if such non-resident enterprise does not have an establishment or place in the PRC. The Group's subsidiaries incorporated in Hong Kong and engaged in the property investment in the PRC do not have an establishment or place in the PRC. As a result, those subsidiaries are subject to a 10% Enterprise Income Tax on PRC-sourced income.

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax – Hong Kong		
Charge for the year	4,269	3,447
Current tax – Mainland China		
Charge for the year	13,910	13,701
Current tax – Malaysia		
Charge for the year	20	19
Deferred tax	65,097	75,718
Total tax charge for the year	83,296	92,885

8. DIVIDENDS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interim dividend – HK2 cents per ordinary share of par value HK\$0.05 each (2022: HK2 cents per ordinary share of par value HK\$0.05 each)	16,721	16,721
Proposed final dividend – HK2 cents per ordinary share of par value HK\$0.05 each (2022: HK2 cents per ordinary share of par value HK\$0.05 each)	<u>16,721</u>	<u>16,721</u>
	<u><u>33,442</u></u>	<u><u>33,442</u></u>

Subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 30 May 2024, dividend warrants will be posted on or about 25 June 2024 to shareholders whose names appear on the register of members of the Company on 7 June 2024.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company of approximately HK\$179,229,000 (2022: HK\$264,120,000) and the weighted average number of ordinary shares of 836,074,218 (2022: 836,074,218).

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

10. TRADE RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	3,537	9,915
Less: loss allowance	<u>–</u>	<u>–</u>
	<u><u>3,537</u></u>	<u><u>9,915</u></u>

Trade receivables mainly consist of receivables from property management services and rental receivables, the tenants are usually required to settle the rental payments on the first day of the rental period, and are required to pay rental deposits with amount ranging from two to three months' rentals in order to secure any default in their rental payments. The Group does not hold any other collateral or other credit enhancements over its trade receivables balances.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	1,631	2,246
1 to 2 months	800	511
2 to 3 months	243	1
3 to 12 months	706	1,537
Over 1 year	157	5,620
	3,537	9,915

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	1,751	1,410

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (i) from Monday, 27 May 2024 to Thursday, 30 May 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 24 May 2024.
- (ii) from Wednesday, 5 June 2024 to Friday, 7 June 2024, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 4 June 2024.

REVIEW OF OPERATIONS

PROPERTY INVESTMENT

Hong Kong

The Group's investment properties in Hong Kong mainly comprise office buildings, industrial buildings, retail shops and car parks. The Group's investment properties portfolio contributed stable rental revenue of approximately HK\$74 million in 2023 (2022: HK\$72 million).

Shanghai, China

The Group's investment property portfolio in Shanghai, China comprises three residential complexes operating under the brand name of "Windsor Renaissance", which consist of around 182 blocks of hotel-serviced villas and 126 hotel-serviced apartments in total. Windsor Renaissance is regarded as a symbol of high quality hotel-serviced villas and apartments in Shanghai, and is well recognised by consulates and management of foreign business entities. These properties in Shanghai had an average occupancy rate of approximately 81% and generated rental and management fee revenue of approximately HK\$162 million in 2023 (2022: HK\$166 million).

Zhuhai, China

Zhuhai Qianshan

The Group has a plot of 36,808 square meters commercial use land in Qianshan, Zhuhai, where a few existing residents have not yet relocated. Local government is responsible for relocation work, but the progress has been slow.

To speed up the relocation progress, the Group has proposed to local government an adjustment in planning that a portion of such commercial use land be allocated for building residential units for in situ resettlement of existing residents. However, such proposal requires coordination among a number of government departments, for example, the change of land use planning. The Group is currently waiting for comments and approval from relevant government departments.

Zhuhai Doumen

On 24 February 2021, 珠海市自然資源局 (literally translated as Zhuhai Municipal Natural Resources Bureau) issued its latest compensation notice (letter reference number (2021)52) in respect of the resumption of the 94,110.84 square meters hotel, commercial and exhibition use land located in Doumen, Zhuhai (the "Doumen Land") which was previously owned by the Group, the amount of compensation was approximately RMB205,538,000.

The management considered that the Zhuhai Municipal Natural Resources Bureau had no legal basis to make the above compensation decision and was against legal procedures. The Zhuhai Municipal Natural Resources Bureau not only failed to specify relevant legal basis on the above compensation notice, it also once again hired valuation agency unilaterally without the Group's consent, and submitted to such agency information which had not been confirmed by the Group as the basis for making assessment. As a result, the assessment for the Doumen Land's value was substantially inaccurate and thus was unfair to the Group. To protect the Group's legitimate interests, the Group has engaged lawyers to file administrative complaints against local government departments including the Zhuhai Municipal Natural Resources Bureau, and the judicial proceedings are still in progress.

As of the date of approval of these consolidated financial statements, the Group has not reached an agreement with the Zhuhai Municipal Natural Resources Bureau on the amount of compensation available to the Group in respect of the resumption of the Doumen Land. Nevertheless, no material negative impact on the daily operations and the financial position of the Group is expected.

FINANCIAL INVESTMENTS

As of 31 December 2023, the Group held approximately HK\$803 million (31 December 2022: HK\$761 million) of highly liquid equity investments consisted mainly of blue chip stocks and Exchange Traded Funds listed in Hong Kong. These equity investments were held by the Group for long-term investment purpose and earning dividend income.

The Group's equity investments recorded a net fair value gain of approximately HK\$43 million for the year (2022: loss of HK\$56 million) when marking the investment portfolio to market valuation as of 31 December 2023 along with dividend income of approximately HK\$47 million in 2023 (2022: HK\$35 million).

The equity investments held by the Group as at 31 December 2023 were as follows:

Stock code	Company name	Principal business	Number of shares held as at 31 December 2023 '000	Percentage of shareholding as at 31 December 2023 %	Investment cost HK\$'000	Realised	Unrealised	Dividend income for the year ended 2023 HK\$'000	Fair value/ carrying amount as at 31 December 2023 HK\$'000	Percentage to the Company's total asset as at 31 December 2023 %
						gain on change in fair value for the year ended 2023 HK\$'000	gain/(loss) on change in fair value for the year ended 2023 HK\$'000			
2800	Tracker Fund of Hong Kong	Collective investment fund, structured as a unit trust established under Hong Kong law, provide investment results that closely correspond to the performance of the Hang Seng Index.	7,850	0.10	196,381	-	(21,430)	5,103	134,942	1.02
5	HSBC Holdings plc	Banking and financial services, manages its products and services through four businesses: Retail Banking and Wealth Management (RBWM), Commercial Banking (CMB), Global Banking and Markets (GB&M), and Global Private Banking (GPB)	5,743	0.03	385,760	-	82,981	23,838	361,788	2.74
2828	Hang Seng China Enterprises Index ETF	Sub-fund of the Hang Seng Investment Index Funds Series, a unit trust established as an umbrella fund under the laws of Hong Kong, which aims to match, before expenses, as closely as practicable the performance of the Hang Seng China Enterprises Index.	2,664	0.63	337,354	-	(25,521)	4,316	155,631	1.18
3988	Bank of China Limited	Banking and financial services, a China-based company principally engage in the provision of banking and related financial services.	29,300	0.04	101,558	-	4,102	7,381	87,314	0.66
941	China Mobile Limited	Telecommunication and Services, a China-based company principally engage in telecommunication and related businesses including mobile businesses, wireline Broadband businesses and Internet of Things (IoT) businesses.	340	0.00	31,219	-	4,437	1,578	22,032	0.17

Stock code	Company name	Principal business	Number of shares held as at 31 December 2023	Percentage of shareholding as at 31 December 2023	Investment cost	Realised	Unrealised	Dividend income for the year ended 31 December 2023	Fair value/ carrying amount as at 31 December 2023	Percentage to the Company's total asset as at 31 December 2023
						on change in fair value for the year ended 31 December 2023	gain on change in fair value for the year ended 31 December 2023			
			'000	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
2628	China Life Insurance Company Limited	Life insurance, a China-based company principally engage provides a range of insurance products, including individual and group life insurance, health insurance and accident insurance products.	1,000	0.01	29,741	-	(3,280)	533	10,120	0.08
857	PetroChina Co. Ltd.	Petroleum and gases, a China-based company principally engage in the production and distribution of oil and gas.	2,378	0.01	24,819	-	3,781	1,122	12,269	0.09
	Other listed securities#				56,014	-	(2,175)	2,953	19,312	0.14
						-	42,895	46,824	803,408	6.08

Other listed securities comprised equity investments in 11 companies whose shares were mainly listed on the Main Board of The Stock Exchange of Hong Kong Limited. The carrying value of each of these investments represented less than 1% of the total assets of the Group as at 31 December 2023.

The Board acknowledges that the performance of the equity investments may be affected by worldwide economy, volatility in the Chinese and Hong Kong stock markets, and susceptible to other external factors that may affect their values. In order to mitigate possible financial risk related to the equity investments, the management will closely monitor the performance of respective equity investments and the changes in market condition. The Group will adjust its portfolio of investments as the Board considers appropriate.

FINANCIAL REVIEW

The Group recorded a decrease of 33% in net profit for the year ended 31 December 2023 to approximately HK\$249 million (2022: HK\$371 million). The substantial decrease in profit was mainly due to (i) a decrease in fair value gain on investment properties; (ii) the finance costs increased by two times.

The Group's rental and property management services income decreased by approximately 0.8% to approximately HK\$237 million in 2023 (2022: HK\$239 million). During the year, rental income from Hong Kong increased by approximately 3% to approximately HK\$74 million (2022: HK\$72 million), while rental and management fee income from hotel-serviced apartments and villas in Shanghai decreased by approximately 2% to approximately HK\$162 million (2022: HK\$166 million).

The Group's equity investments recorded an increase in fair value gain of approximately HK\$43 million in 2023 (2022: loss of HK\$56 million). These equity investments recorded an increase in dividend income of approximately 34% to approximately HK\$47 million during the year (2022: HK\$35 million).

Investment properties held by the Group record a decrease in fair value gain of approximately 64% to HK\$141 million in 2023 (2022: HK\$392 million). As at 31 December 2023, fair value of the Group's investment properties increased by approximately 1% from the end of last year to approximately HK\$11,141 million (2022: HK\$11,022 million)

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associated companies and joint ventures during the year ended 31 December 2023.

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, liabilities and transactions are mainly denominated in Renminbi, Hong Kong dollar, United States dollar and the Malaysian ringgit. The Group is exposed to foreign exchange risk with respect mainly to Renminbi which may affect the Group's performance. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of Renminbi and will closely monitor its impact on the performance of the Group and when appropriate hedge its currency risk.

As of 31 December 2023, the Group did not have any financial instrument for foreign currency hedging purpose.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flows and banking facilities provided by principal bankers in Hong Kong. In order to preserve liquidity and enhance interest yields, liquid assets were maintained in the form of highly liquid equity investments amounted to approximately HK\$803 million as of 31 December 2023 (2022: HK\$761 million). The Group's cash and cash equivalents as of 31 December 2023 amounted to approximately HK\$453 million (2022: HK\$571 million).

As of 31 December 2023, the Group had total bank borrowings amounted to approximately HK\$1,537 million (2022: HK\$1,499 million), which were secured by legal charges on the Group's certain investment properties in Hong Kong and Shanghai. The Group's bank borrowings were mainly arranged on a floating rate basis. The maturity of bank borrowings of the Group as at 31 December 2023, ignoring the effect of any repayment on-demand clause, was as follows:

	<i>HK\$'000</i>
Within one year	491,449
In the second year	45,500
In the third to fifth years, inclusive	<u>1,000,500</u>
Total	<u><u>1,537,449</u></u>

With the total bank borrowings of approximately HK\$1,537 million (2022: HK\$1,499 million) and the aggregate of the shareholder funds, non-controlling interests and total bank borrowings of approximately HK\$11,441 million (2022: HK\$11,195 million), the Group's gearing ratio as at 31 December 2023 was around 13% (31 December 2022: 13%).

CONTINGENT LIABILITY

As of 31 December 2023, the Group had no material contingent liability.

COMMITMENTS

As at 31 December 2023, the Group had committed payment for the construction and land development expenditure amounted to approximately HK\$4 million (31 December 2022: HK\$4 million).

EVENTS AFTER THE REPORTING PERIOD

On 19 January 2024, Windsor Homes Sdn. Bhd. (the **"Developer"**) (an indirect wholly-owned subsidiary of the Company) entered into the land development rights agreement with Setia Haruman Sdn. Bhd. (the **"Landowner"**), pursuant to which the Landowner has agreed to grant the Developer the rights to develop a parcel of freehold land located in Malaysia and the Developer has agreed to acquire such rights at a consideration of RM158,500,000.00 (equivalent to approximately HK\$262,809,000.00).

For details, please refer to the announcement of the Company dated 19 January 2024.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2023, the Group had approximately 200 employees in Shanghai, Zhuhai, Hong Kong and Malaysia. During the year, the staff costs (including directors' emoluments) amounted to approximately HK\$32 million (2022: HK\$31 million).

The objective of the Group's remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration paid to its employees (including directors and senior management), their performance, experience and the prevailing market condition are mainly considered. In addition to salaries, provident fund scheme, discretionary bonuses and tuition/training subsidies are available to employees. Level of remuneration is reviewed annually. During the review process, no individual director is involved in decisions relating to his own remuneration.

PROSPECT

The global business environment in 2023 has been challenging due to geopolitical conflicts. Furthermore, global inflation and high interest rates in particular has heavily impacted the economic growth in Hong Kong and China. This impact has altogether resulted in weakened business sentiment and slowed down post-Covid economic recovery in the region.

The Hong Kong government has relaxed property stamp duty requirements in the first quarter of 2024, which has led to a marked improvement in the Hong Kong real estate market sentiment in recent months. However due to significant impact from geopolitical tensions and a prolonged high-interest rate environment, we expect that the Hong Kong economy and property markets will continue to be slow in the first half of 2024.

Property investment

Mainland China's border reopening and lifting of travel restrictions in early 2023 was highly anticipated, and the market had originally expected a rapid economic recovery fueled by tourism and business activities. However, post-Covid economic recovery has been much slower than anticipated due to hindrance from the weak economy and high-interest rate environment in the region. Office and shop leasing in secondary business districts in particular will continue to be challenged due to limited new demand and weak business sentiment. It is expected that overall rent will come under pressure and vacancy rates will continue to increase in the first half of 2024.

The Group's hotel-serviced villas and apartments in Shanghai have been a major source of income and cash flow over the past years. It is expected that the rental income from Shanghai would remain stable in 2024.

In Malaysia, the relaxation of visa regime for Chinese travelers and wider favorable investment policies have attracted many international and Chinese manufacturing corporations to set up businesses in the country in recent years. Therefore, it is expected that tourism and business investment to Malaysia will lead to wider economic growth for the country and benefit the property sector. The Group is investing in Malaysia in a mission to further diversify the Group's property investment and development portfolio. The Group is currently engaged in property investment and development in the region. The Group believes in favorable investment value in the Malaysian property market and is actively seeking opportunities to acquire high quality properties and land banks to expand our business.

Financial investment

The performance of the listed equity investments was adversely affected by the underperformance of the Hong Kong stock market in 2023. Hong Kong stock market is expected to face continuous risks and uncertainties. The management of the Group will review and adjust business strategies on a regular basis with a prudent and balanced risk management approach so as to cope with the current unpredictable economic situation.

CORPORATE GOVERNANCE CODE

In the opinion of the directors of the Company (the "Director(s)"), the Company has applied the principals and complied with code provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Listing Rules throughout the year ended 31 December 2023, save as disclosed below.

Under code provision B.2.2 every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Under the bye-laws of the Company, at each annual general meeting, one-third of the directors for the time being, or if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office by rotation save any director holding office as chairman and managing director. The Company intends to propose any amendment of relevant bye-laws of the Company, if necessary, in order to ensure compliance with the Code.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules. The audit committee's terms of reference includes those specific duties as set out in the code provision D.3.3 of the Code.

As of the date of this announcement, the audit committee comprises three independent non-executive Directors, namely, Mr. Lo Mun Lam, Raymond, Mr. Lo Kam Cheung, Patrick and Mr. Tsui Ka Wah. The chairman of the audit committee, Mr. Lo Mun Lam, Raymond, has extensive experience in the finance and auditing fields.

REVIEW OF ANNUAL RESULTS

The annual results for the year ended 31 December 2023 contained in this announcement have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's draft audited consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Based on specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code for the year ended 31 December 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of listed securities of the Company during the year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company (www.irasia.com/listco/hk/multifield/index.htm) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report of the Company for 2023 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the above websites in due course.

BOARD OF DIRECTORS

As of the date of this announcement, the executive Directors are Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi and the independent non-executive Directors are Mr. Lo Mun Lam, Raymond, Mr. Lo Kam Cheung, Patrick and Mr. Tsui Ka Wah.

By Order of the Board
Lau Chi Yung, Kenneth
Chairman

Hong Kong, 25 March 2024